

Message Text

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ATTN PARIS FOR MARK PRATT

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: NOVEMBER 28 EA PRESS SUMMARY

1. JAPAN

AT SPECIAL CABINET MTG 11/28, FUKUDA CALLED FOR RESIGNA-
TIONS CABINET MEMBERS--ROUTINE PROCEDURE BEFORE REORGANIZA-
TION (REUTER, SUN). PM CREATED NEW POSITION TO SUPERVISE
FON ECON AFFAIRS/APPOINTED FORMER AMB TO US USHIBA TO
FILL IT. MITI WILL BE HEADED BY ECON EXPERT KOMOTO,
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KNOWN FOR VIEWS ON STIMULATING DOMESTIC ECONOMY. OTHER
SIGNIFICANT CHANGES INCLUDED MIYAZAWA AS CHIEF ECON
PLANNING AGENCY; SONODA AS FON MIN (CHAPMAN, WP TOKYO).
IN 11/27 WSTAR, UPI REPORT CARRIED FUKUDA REMARKS
BEFORE CABINET CHANGES ANNOUNCED. PM ASSERTED JAPAN IN
"GRAVEST SITUATION" ECONOMICALLY, SAID HAS "GREAT
RESPONSIBILITY" FOR LEADING WORLD TO HEALTHIER ECONOMY.
STATED HE WAS CREATING NEW CABINET TO FIT "HARSH REALITY
OF TODAY'S WORLD PROBLEMS."

AT 2-DAY OCEANOGRAPHY FORUM IN TOKYO THIS WK, JAPANESE LAWMAKERS AGREED CONSIDER LEGISLATION SIMILAR TO THAT PLANNED IN US AUTHORIZING DEEP SEABED MINING. IRRITATED W/LACK PROGRESS IN UN LOS CONF, SEVERAL US CONGRESSMEN

AT MTG URGED JAPAN WORK CLOSELY W/US (NYT 11/27).

HOUSE OF COUNCILORS FRIDAY PASSED LEGISLATION TO REGULATE SUGAR IMPORTS IN EFFORT HELP REHABILITATE JAPAN'S SUGAR INDUSTRY. LEGISLATION PASSED IN EXTRAORDINARY DIET SESSION/WILL TAKE EFFECT 1/78 AND RUN THRU 9/80 (UPI, JOC).

NY SEN JAVITS LEADS 4-MEMBER TEAM TO TOKYO TO PROMOTE JAPANESE UNDERSTANDING JAPAN-AMERICA FUND, ESTABLISHED BY CONGRESS 2 YRS AGO IN ORDER HELP AMERICANS STUDYING JAPANESE CULTURE/JAPANESE STUDYING AMERICA (REUTER, NYT).

TRANSPORT MINISTRY SAYS AFTER 10 UNSUCCESSFUL ATTEMPTS, NARITA INTL AIRPORT WILL OPEN 3/30. POLICE PLAN STATION SOME 230 OFFICERS AT AIRPORT PERMANENTLY TO PREVENT EXTREMIST GROUPS FROM HARASSING ITS OPERATION (REUTER, UNCLASSIFIED

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SUN 11/26).

2. JAPAN/CHINA

IN PRAVDA COMMENTARY, USSR WARNED JAPAN COULD FACE "RETALIATORY MEASURES" IF IT SIGNED PEACE/FRIENDSHIP TREATY W/PRC CONTAINING CLAUSE OPPOSED BY MOSCOW. ARTICLE SIGNED "OBSERVER"--INDICATING IT REFLECTED HIGH-LEVEL KREMLIN THINKING--DIDN'T SPECIFY WHAT FORM SUCH MEASURES WOULD TAKE (AP, NYT 11/27).

JAPAN EXTERNAL TRADE PROMO ASSN SAYS JAPAN/PRC EXCHANGED SOME 350 MIL DOLS IN 2-WAY TRADE DURING CANTON TRADE FAIR. JAPAN CONTRACTED EXPORT SOME 100 MIL DOLS IN GOODS/AGREED IMPORT 250 MIL DOLS IN GOODS (UNICOM NEWS, JOC).

3. KOREA/VIETNAM

ACCORDING OFFICIAL GDR NEWS AGENCY, GDR CP CHIEF ERICH HONECKER WILL VISIT VN/NK NEXT MONTH (AFP, WP 11/26).

4. CHINA

MUNRO, TORONTO GLOBE/MAIL CORRESPONDENT IN PEKING, EXPELLED FROM PRC BY CHINESE GOVT. YAO JEN-LIU, 2ND SECY OF PRC EMBASSY IN OTTAWA, WROTE GLOBE/MAIL THAT MUNRO'S VISA,

DUE TO EXPIRE 12/22, WOULD NOT BE RENEWED "DUE TO OBVIOUS REASONS." YAO SAID HE HAD NO INSTRUCTIONS FROM PEKING TO ELABORATE ON "OBVIOUS REASONS." IN LETTER, YAO REAFFIRMED PRC DESIRE TO MAINTAIN RELS W/GLOBE/MAIL. IN COMMENT ON EXPLUSION, MUNRO OBSERVED "COMMUNIST COUNTRIES NEVER EXPELL CORRESPONDENTS FOR TELLING LIES." IN RECENT WKS, MUNRO SERIES ON HUMAN RIGHTS IN PRC HAS RECEIVED WORLD-WIDE NOTICE (GLOBE/MAIL-NYT 11/27; WP 11/26).

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ACTION AGAINST MUNRO SEEN AS WARNING TO OTHER PEKING-BASED CORRESPONDENTS TO AVOID ANY REPORTING THAT DAMAGES PRC'S IMAGE. ACTION DESCRIBED AS DEPARTURE FROM PRC'S PREVIOUS POLICY OF LARGELY IGNORING UNFAVORABLE REPORTING (MORITZ, CSM HK).

ACCORDING TO TOKYO SHINBUM, PRC SUCCESSFULLY TESTED IRBM ROCKET CAPABLE OF CARRYING NUCLEAR WARHEAD/WARHEADS. TEST MADE IN LAUNCHING SITE IN KIRIN. PAPER ALSO SAID PRC RECENTLY TESTED 3 GUIDED MISSILES/SUCCEDED ONLY IN 3RD TEST (AP TOKYO, WSTAR 11/27).

"PD" EDIT SAYS CCCCP HAS URGED CHINESE TO BEGIN NATIONWIDE CAMPAIGN TO CONSERVE ELECTRICITY (UPI HK, WP 11/26).

ACCORDING TO ASIAN WALL STREET JOURNAL REPORT, PRC REASSURING HK BUSINESSMEN IT WANTS BRITISH CROWN COLONY TO MAINTAIN ITS STATUS QUO WHEN BRITISH LEASE EXPIRES. NEWSPAPER SAID INFO CONVEYED TO BUSINESSMEN INVITED TO PEKING/ALSO BY NCNA OFFICIALS (WSTAR 11/26).

BITS OF WOOD, PORCELAIN, POTTERY FOUND IN DRAINED HK RESERVOIR REVEAL ANCIENT WORLD TRADE PATTERNS. ARTIFACTS TAKEN AS SOLID EVIDENCE OF TRADE LINKS BETWN CHINA, HK, SEA, MIDDLE EAST WHICH DATE TO 9TH CENTURY (YOUNGBLOOD, UPI, CSM HK).

MUNRO (TORONTO GLOBE/MAIL, CSM, PEKING) REPORTS THAT IN ANTICIPATION OF UNIVERSITY EXAMS SLATED FOR LATE DEC, CRAM SCHOOLS HAVE BEEN SET UP ALL OVER CHINA TO HELP YOUNG PEOPLE PASS TESTS. SOME YOUTHS COMPLAIN THAT THEIR UNITS NOW TRYING TO LIMIT NUMBERS TAKING EXAMS; PEASANTS, ON OTHER HAND, COMPLAIN THAT YOUTHS IN COMMUNES REFUSE UNCLASSIFIED

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TO WORK SO THEY CAN STUDY FOR EXAMS. IN CITIES, HOWEVER, SOME OF MORE PRIVILEGED YOUNG FREED FROM WORK EARLY LAST SPRING TO DEVOTE THEMSELVES TO PREPARING FOR EXAM.

5. CHINA/VIETNAM

WSJ REPORTS VIET DELEGATION TO CHINA LAST WK FAILED PATCH UP POL DIFFERENCES BETWN 2 COUNTRIES. TALKS CONCLUDED W/O COMMUNIQUE OR SIGNING OF ANY AGREEMENTS, LEAVING DEEP-SEATED DISCORD OVER TERRITORIAL ISSUES/USSR.

6. AUSTRALIA

DUE TO RECESSION/RECORD UNEMPLOYMENT/INDUSTRIAL STRIFE IN AUSTRALIA, POL ANALYSTS FORECASTING NARROW VICTORY FOR LABOR PARTY IN UPCOMING ELECTION. EROSION OF SUPPORT FOR FRASER GOVT BECAME APPARENT AFTER ENFORCED RESIGNATION TREASURER LYNCH. ANOTHER THREAT FACING GOVT IS EMERGENCE 3RD PARTY, AUSTRALIAN DEMOCRATS, A CENTER PARTY WHICH IS DRAWING MANY LIBERAL VOTERS/SOME FROM LABOR, AND IS EXPECTED TO GET 8 PCT OF VOTE (REUTER SYDNEY, NYT 11/27).

AUSSIE WHEAT BOARD SELLS 1 MIL METRIC TONS WHEAT TO EGYPT, 3RD CONTRACT UNDER BOARD'S CURRENT 3-YR AGREEMENT W/ EGYPT. SALE PROVIDES FOR 24-MONTH CREDIT TERMS, SHIPMENT IN '78 (UNICOM NEWS, JOC).

INDONESIA

BUOYED BY ITS IMPROVING FINANCIAL POSITION, INDO SEEKING TO RESTRUCTURE 850 MIL DOL IN BANK DEBT ON SIGNIFICANTLY MORE FAVORABLE TERMS. ACCORDING WSJ'S PURA (JAKARTA), PROPOSAL CALLS FOR EARLY REPAYMENT 2 LOANS OF 425 MIL DOLS EACH, ARRANGED FOLLOWING NEAR COLLAPSE STATE OIL CO IN '75/BORROWING OF 500 MIL DOLS OF "REPLACEMENT FINANCING" ON BETTER TERMS.

7. THAILAND

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ABOUT 4,000 CHILDREN OF AMERICAN-THAI PARENTS STAND TO LOSE THAI CITIZENSHIP BECAUSE OF DECREE DESIGNED TO SAFEGUARD THAILAND'S NATL SECURITY. ORIGINALLY INTENDED TO PREVENT CHILDREN OF VIET REFUGEES FROM OBTAINING THAI CITIZENSHIP, DECREE NOW BEING APPLIED TO AMERASIANS--MOSTLY CHILDREN ABANDONED BY THEIR FATHERS OR SIMPLY PRODUCTS OF CASUAL UNIONS DURING VN WAR. LOSS OF CITIZENSHIP WILL DEPRIVE CHILDREN OF RIGHT TO VOTE OR PARTICIPATE IN THAI GOVT WHEN THEY GROW UP; THEY MAY ALSO HAVE TROUBLE GETTING GOVT JOBS/COULD FACE TRAVEL RESTRICTIONS (AP BANGKOK, NYT 11/27).

8. INDOCHINA

ACCORDING PP RADIO, CAMBODIA'S TITULAR HEAD OF STATE, KHIEU SAMPHAN, HAS DECLARED THAT HIS COUNTRY WILL NOT PROVOKE TROUBLE W/OTHER NATIONS. SPEAKING AT RECEPTION FOR VISITING BURMESE PRES, 1ST FON HEAD OF STATE VISIT

CAMBODIA SINCE '75, HE SAID "WE WILL NOT INTERFERE IN OTHER COUNTRIES' NATL AFFAIRS, AND WILL NOT PROVOKE ANY TROUBLE AGAINST OTHER NATIONS" (REUTER BANGKOK, NYT).

9. PHILIPPINES

NYT (MANILA 11/26) REPORTS USG/GOP NEAR AGREEMENT ON NEW TERMS FOR MIL BASES. SAYS, ACCORDING GOP SOURCES, US WILL CONTINUE MAINTAIN BASES/MARCOS WILL GET FUNDS HE IS SEEKING TO STRENGTHEN PHILS ARMED FORCES/UNDERTAKE ECON DEVELOPMENT. QUOTES PRESS STATEMENT BY FORMER PRES MACAPAGAL THAT CARTER ADMIN HAS ARRANGEMENT W/MARCOS TO UNCLASSIFIED

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MAINTAIN HIS POL POSITION IF HE GIVES CARTER WHAT HE WANTS. MACAPAGAL SAID MARCOS PLANS GO TO US W/NEW MAN-DATE FROM PRESIDENTIAL REFERENDUM TO OBTAIN 1 BIL DOLS AS RENTALS FROM CARTER.

DESPITE CROP LOSSES CAUSED BY PROLONGED DRY SPELL/SEVERE TYPHOON, PHILS WILL STILL HAVE SURPLUS OF 88,000 METRIC TONS RICE FOR EXPORT (JOC, MANILA).

NYT SPEC; NYTNS, WSTAR; AP, BSUN; ALL MANILA; WP'S SHAW, ALL 11/26, COVER CONVICTION FORMER PHILS SENATOR, BENIGNO AQUINO, OF SUBVERSION/MURDER/ILLEGAL POSSESSION FIREARMS AND SENTENCING TO DEATH OF PHILS MOST PROMINENT POL PRISONER ALONG W/2 OTHER MEN. SAID GOVT WITNESSES TESTIFIED AQUINO WAS INVOLVED IN CONSPIRACY KILL MARCOS, OTHER TOP GOVT OFFICIALS/WAS LINKED TO MURDER OF LOCAL OFFICIAL, ILLEGAL POSSESSION GUNS. NONE OF ACCUSED PRESENTED ANY DEFENSE DURING TRIAL, LONGEST SINCE MARCOS DECLARED MARTIAL LAW, BUT AQUINO ARGUED THAT 7-MAN MIL TRIBUNAL COULD NOT LEGALLY TRY HIM SINCE ITS MEMBERS OWE THEIR LOYALTY TO MARCOS, THEIR CMDR-IN-CHIEF. MIL COMMISSION REACHED VERDICT AFTER DELIBERATING FOR 6 HRS. WSTAR (MANILA 11/27) SAID AQUINO'S FAMILY WILL MAKE NO LEGAL APPEALS, "LEAVING EVERYTHING TO GOD." SUN AND CSM (11/28), HOWEVER, SAY AQUINO'S LAWYERS PLAN TO APPEAL SENTENCE TO PHILS SUPREME COURT. WP AND WSJ (11/28) SAID SENTENCES DREW EXPRESSION OF CONCERN FROM DOS WHICH SAID NEXT STEP LIKELY BE AN APPEAL/REVIEW OF SENTENCES BY MARCOS. SOME OBSERVERS FELT MARCOS WOULD REVERSE DECISION OR GRANT AQUINO A PARDON (WSTAR). TIMES/SUN CARRIED PHOTOS DEFENDANTS; WP OF AQUINO.

COMMENT AND ANALYSIS

10. KOREA

SECOND ITEM FROM SEOUL (11/27) FOCUSES ON LONG HOURS/LOW UNCLASSIFIED

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PAY FOR MOST SKOREAN LABORERS. ALSO SAYS THOSE SEEKING IMPROVE WORKERS' LOT FIND ROKG AGENTS ALWAYS "OMINOUS PRESENCE." STATES KCIA AGENTS/LOCAL POLICE APPEAR ROUTINELY TO CAUTION LEADERS OF URBAN INDUSTRIAL MISSION, WHICH SEEKS ADVISE MILL WORKERS OF RIGHTS UNDER NATL LABOR LAW. REMARKS DUE MEASURES LIKE THESE, LABOR UNIONS IN SK "GENERALLY INEFFECTUAL."

11. JAPAN

IN COLUMN FOCUSING ON RECENT US PRESSURE TO HAVE JAPAN LESSEN TRADE SURPLUS/OPEN UP MKTS, KRAFT (SUN, TOKYO) SAYS WHILE GOJ "WILL NO DOUBT" BOW TO SOME US DEMANDS, WILL DO SO ONLY ENOUGH TO STILL "PROTECTIONIST DIN"--NOT ENOUGH TO HELP INTL ECONOMY. STATES JAPANESE VIEWS CAN ONLY BE CHANGED BY PATIENT ARGUMENT/EXPOSITION. ADDS, "THE SLEDGEHAMMER WON'T WORK. STILL LESS THE EMPTY RHETORIC OF THOSE AMERICANS WHO WALK UP AND DOWN THE WORLD TALKING OF 'JAPAN'S ROLE.'"

ON SAME PAGE, SUN RUNS DEREK DAVIES ITEM, EXCERPTED FROM FE ECON REVIEW, WHICH SAYS, AT FACE VALUE, FUKUDA SEEMS HAVE LITTLE WORRY ABOUT. BUT THO GOJ HAS THUS FAR MANAGED SHIELD MOST OF JAPAN FROM RECESSION'S WORST EFFECTS, UNEMPLOYMENT AT HIGHEST LEVEL SINCE 1959/1 OUT OF EVERY 4 COS RUNNING AT DEFICIT. STATES DESPITE THESE PROBLEMS--INCL FUKUDA'S DOMESTICALLY-UNPOPULAR SEA GOODWILL TOUR--PM PLANS STAND AGAIN FOR LDP PRESIDENCY/HOLD ON TO POWER LONG AS POSSIBLE.

IN ITEM HIGHLIGHTING WEEK'S BUSINESS/TRADE SITUATION, NYT (11/27) TAKES SPECIAL NOTE US WARNING TO JAPAN--"IN ONE FORUM AFTER ANOTHER"--THAT JAPAN'S CONSERV ECON/BUSI-UNCLASSIFIED

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NESS POLICIES NOT ONLY THREATEN US-JAPAN RELS, BUT STABILITY WORLD'S ECON SYSTEM. REVIEWS RECENT DEVELOPMENTS IN US-JAPAN TRADE NEGOTS.

CSM'S FRANCIS CITES CITIBANK'S TOP ECONOMIST LEIF OLSEN, WHO SAYS US-JAPAN TRADE IMBALANCE DUE AMERICAN ECON POL PLANNERS' DECISION SEEK RAPID GROWTH. REMARKS THAT POLICY SUCCEEDED, RESULTING IN US "SUCKING IN IMPORTS" MORE RAPIDLY THAN MANY OF ITS SLOWER-GROWING TRADING PARTNERS. OLSEN ADMITS JAPANESE DUMPING SOME STEEL IN US/THAT GOJ PLACES MORE RESTRICTIONS ON IMPORTED GOODS THAN SOME OTHER INDUSTRIAL NATIONS, BUT ABHORS TENDENCY FOR POLITICAL LEADERS TO BLAME ECON WOES ON OTHER NATIONS.

AP (SUN 11/27) QUOTES NIPPON STEEL VP THAT REAL PROBLEM IN US STEEL INDUSTRY CONCERNS DECLINE IN US MFRS' COMPETITIVENESS. OPINES MINIMUM FAIR-PRICING PLAN WILL NOT SOLVE PROBLEM, AS JAPANESE ABLE MFR STEEL EVEN MORE CHEAPLY THAN MADE NOW. AP NOTES STUDIES BY JAPAN IRON/STEEL FEDERATION, USG, MERRILL LYNCH CONCUR--US MUST MODERNIZE IN ORDER COMPETE SUCCESSFULLY.

ASAHI'S HARA (WP 11/27) DOES ITEM ON JAPAN'S DRIVE "REJUVENATE" UPPER ECHELONS BUSINESS/GOVT. CITES SENIOR AGE MOST JAPANESE BUSINESS/GOVT LEADERS, AND NOTES DESPITE CHANGE, SOCIETAL TENDENCY IN GENERAL STILL FAVORS ELDERS' EXPERIENCE/JUDGMENT OVER YOUTHFUL VITALITY.

12. PACIFIC ISLANDS

RESIDENT COMMISSIONER OF NORTHERN MARIANA ISLANDS, ERWIN CANHAM, DOES ARTICLE FOR CSM ON PROGRESS RESIDENTS MAKING TOWARDS BECOMING FULL-FLEDGED AMCITS. SAYS REAL CHALLENGE OF FUTURE IS WHETHER PEOPLE OF MARIANAS CAN RETAIN THEIR VIGOR/SELF-RELIANCE WHILE RECEIVING MANIFOLD BENEFITS OF UNCLASSIFIED

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WELFARE STATE. SAYS THEY ARE LOOKING INTO WHICH FEDL PROGRAMS WOULD REALLY BENEFIT PEOPLE, WHICH WOULD WEAKEN FAMILY RESPONSIBILITIES.

13. INDOCHINA REFUGEES

NYT'S KAMM DOES FEATURE (11/26) ON INCREASINGLY HOSTILE ATTITUDE OF THAIS TOWARDS INDOCHINESE REFUGEES. SAYS US/ UNHCR HAVE ASKED RTG TO SOFTEN ITS POLICY OF PUSHING BOAT PEOPLE BACK OUT TO SEA, BUT HAVE MET POLITE RESISTANCE EXCEPT FOR OCCASIONAL DELAYS WHICH ALLOW 3RD PARTIES SPEED UP THEIR PROCESSING. SAYS SO FAR 4 BOATS HAVE BEEN RE-SUPPLIED/MADE SEA WORTHY/SET OUT TO SEA. IN NYT INTERVIEW, GEN KIRANGSAK SAID THAILAND BEARING DISPROPORTIONATE BURDEN OF REFUGEES, BUT WOULD ACCEPT BOAT PEOPLE IF US ASSURES RTG IT WILL EVENTUALLY TAKE THEM. ARTICLE (BANGKOK) ACCOMPANIED BY PHOTO REFUGEE BOATS ARRIVING AUSTRALIA.

14. CHINA

WP (11/27) CARRIES LENGTHY MUNRO ARTICLE ON PRC'S SYSTEM OF RATIONING CONSUMER ITEMS. ESSENTIAL POINT OF SYSTEM, MUNRO SAYS, IS THAT PRC IS POOR COUNTRY WHERE ALMOST EVERYTHING IS IN SHORT SUPPLY. OBSERVES THAT WHILE LEADERS RARELY HESITATE TO TELL FON VISITORS THIS, OUT OF PRIDE/DEFENSIVENESS, THEY ARE RELUCTANT TO DETAIL RATIONING SYSTEM. REPORTER BELIEVES EXTENSIVE BLACK MKT IN RATION COUPONS EXISTS IN PRC. SAYS SIGHT OF PEOPLE DRESSED IN RAGS

INDICATES SOME SELL COTTON COUPONS RATHER THAN BUY NEW CLOTHES. ARTICLE THEN DETAILS SYSTEM ITEM BY ITEM.

COMPANION MUNRO PIECE (ALSO FEATURED IN NYT, 11/27)
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OBSERVES THAT MOST PRC OFFICIALS ENJOY LUXURIES ORDINARY CHINESE CAN'T GET. SAYS UNCLEAR HOW OFFICIALS OBTAIN THESE ITEMS BUT OFFERS THAT CHINESE BUREAUCRATS OFTEN SEEN FREQUENTING FRIENDSHIP STORES. ANOTHER SOURCE OF WESTERN GOODS FOR OFFICIALS IS CUSTOM SERVICE IN CANTON. OVERSEAS CHINESE SEND THOUSANDS OF PARCELS TO RELATIVES EACH YR, BUT FREQUENTLY THESE UNCLAIMED. ONLY INSIDERS, MUNRO SAYS, ARE INFORMED WHEN THESE GOODS GO ON SALE.

BUTTERFIELD (NYT, HK 11/27) OBSERVES BEHIND PRC'S FACADE OF "UNITY"/"ECON RECOVERY," SOME PRC LEADERS SEEM ENGAGED IN SQUABBLES, NEW PURGES. CITES RASH OF WALL POSTERS AT PEKING UNIVERSITY WHICH COMPLAINED THAT ADMINISTRATORS FAILED TO ROUT OUT FOLLOWERS OF GANG OF 4 FAST ENOUGH. SINCE RESPONSIBILITY FOR UNIV LIES W/PEKING CITY CP, POSTERS' IMPLICATION IS THAT MAYOR WU TEH WAS ALSO INVOLVED. BUTTERFIELD SAYS SMALL GROUP OF MEN ACTUALLY IN POWER FELT NEED TO REBUKE UNIV AUTHORITIES AND BY EXTENSION, MAYOR WU. SAYS CURRENT MOOD IN PEKING IS SUCH THAT ANYONE SUSPECTED OF HAVING SIDED W/GANG, NO MATTER HOW BRIEFLY, NOW CALLED TO ACCOUNT.

MIDDLETON (NYT 11/27) DESCRIBES PRC MIL PLANNING TO BE MOVING STEADILY AWAY FROM MAO'S CONCEPT OF PEOPLE'S WAR TOWARD MODERN MIL ESTABLISHMENT, WHICH INCLUDES NUCLEAR CAPABILITY BY LAND/SEA/AIR. ALSO INVOLVED IS WIDER ACQUISITION OF SOPHISTICATED CONVENTIONAL WEAPONS THRU FOREIGN PURCHASE/DOMESTIC MANUFACTURE. ACCORDING TO USG SOURCES, GOAL IS TO ACHIEVE MIL PARITY W/SOVIETS/US BY END OF CENTURY.

ROUSMANIERE (SUN 11/27) DESCRIBES DIFFICULTIES FACING US FIRMS SEEKING TO DO BUSINESS W/PRC. BEYOND PROBLEMS POSED BY LACK OF DIPLO RELS, FOLLOWING MUST ALSO BE SURMOUNTED: (1) FROZEN ASSETS/PRIVATE CLAIMS ISSUE WHICH UNTIL RESOLVED PREVENTS US BANKS FROM DOING SUBSTANTIVE
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FINANCING IN PRC; (2) FACT THAT PRC WOULD NOT QUALIFY FOR MFN STATUS UNTIL IT COMPLIES W/FREE-EMIGRATION RULES OF '74 FOREIGN TRADE ACT; (3) LACK OF INFORMATION ON PRC MARKET; (4) CHINESE BUSINESS PRACTICES WHICH ARE SUBSTANTIALLY DIFFERENT FROM AMERICAN METHODS; (5) US EXPORT RESTRICTIONS.

ACCORDING TO OIL INDUSTRY SOURCES, NEGOTS UNDER WAY IN PEKING NETTED 50 MIL DOLS IN SALES OF US DRILLING EQUIPMENT TO CHINA. THESE SALES SUGGEST THAT PEKING HAS DECIDED TO OVERLOOK DIPLO PROBLEMS W/US IN ORDER TO GAIN ADVANCED US OIL TECHNOLOGY; ALSO MOST CONCRETE SIGN TO DATE THAT PRC DETERMINED TO BECOME INDUSTRIAL/TRADE LEADER. ARTICLE OUTLINES DETAILS OF NEGOTS/SALES. ALSO NOTES AS PART OF USG "SEMI-OFFICIAL" EFFORT TO ENCOURAGE TRADE 10-MEMBER DELEGATION OF NCUSCT RECENTLY ARRIVED IN PEKING TO CONDUCT TECHNICAL SEMINARS FOR CHINESE OIL INDUSTRY EXECS (MATHEWS, WP HK 11/27).

TERRILL, AUTHOR/HARVARD PROF, (GLOBE 11/27) DOES ITEM DESCRIBING HOW CHINA MOVING AWAY FROM POLICIES OF MAO, A CHANGE WROUGHT UNDER "CAUTIOUS SUPERVISION OF HUA KUO-FENG." NOTES RULES/REGULATIONS BACK IN FAVOR IN INDUSTRY, NEW STRESS ON EXCELLENCE/STANDARDS IN EDUCATION, UPGRADING RESEARCH EFFORTS. ALL HAVE SINGLE RATIONALE OF MODERNIZATION, TERRILL SAYS. HE CONCLUDES, WHILE MAO WILL REMAIN GIANT FOR CHINESE, HIS "THOUGHT WILL ASCEND TO THE LEVEL OF A GENERAL ETHIC, AND THUS INFLUENCE POLICY LESS."

15. PHILIPPINES

NYT (11/26) SAYS MIL COURT'S HURRIED DECISION TO UNCLASSIFIED

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SENTENCE BENIGNO AQUINO TO DEATH, UNDOUBTEDLY UNDER INSTRUCTIONS FROM MARCOS HIMSELF, COULD BE PRELUDE TO TRAGEDY OR FARCE. SAYS IT WOULD BE TRAGEDY IF SENTENCE WERE CARRIED OUT, WOULD CAUSE BASES-FOR-AID AGREEMENT BETWN US/PHILS BE SHELVED/WOULD ERODE SUPPORT FOR MARCOS REGIME. FOR THESE REASONS,SAYS LIKELY SENTENCE WILL BE REVERSED BY MARCOS AS PART OF "FARCE THAT HE HAS SCRIPTED FROM THE BEGINNING." OF ALL POL LEADERS ARRESTED IN 1ST DAYS MARTIAL LAW, AQUINO IS ONLY IMPORTANT FIGURE STILL IN JAIL--"PRIMARILY BECAUSE HE HAS COURAGEOUSLY REFUSED TO YIELD TO PRESSURE BY ADMITTING ANY GUILT OR ACCEPTING AMNESTY." SAYS MARCOS CLEARLY VIEWS YOUNG AQUINO AS HIS PRINCIPAL RIVAL/MOST LIKELY SUCCESSOR IF FREE ELECTIONS EVER HELD. CONCLUDES AQUINO HAS WORLD'S ADMIRATION; MARCOS WILL HAVE ITS CONTEMPT IF HE KILLS MAN DEVOTED TO CIVIL LIBERTIES/CONSTITUTIONAL GOVT THAT HE HAS TAKEN FROM HIS PEOPLE.

SFCHRON'S WEBER WRITES FROM MANILA (11/18) ABOUT IMPROVERISHED SACADAS--FIELD HANDS--WHO COMPRISE OVER HALF POPULATION OF PHILS. SAYS "IF EVER THERE WAS A MASS OF PEOPLE RIPE FOR REBELLION IT IS THIS POOL OF LARGELY ILLITERATE SERFS AND LANDLESS FARMERS." IF MNLF/NEW

PEOPLE'S ARMY EVER SUCCEED IN WINNING THEIR ALLEGIANCE,
RESULTING EXPLOSION "WOULD TOPPLE ANY REGIME IN MANILA."
SAYS THESE PEOPLE LIVE IN SHACKS W/O PLUMBING/RUNNING
WATER/PRIVACY; START WORK AT 5 AM; ARE BADLY UNDER-
NOURISHED, EARN FAR LESS THAN MINIMUM WAGE; ARE OWNED
BY THEIR EMPLOYERS. VANCE

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Status: NATIVE
Subject: NOVEMBER 28 EA PRESS SUMMARY
TAGS: SOPN, XC, US
To: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS MOSCOW MULTIPLE
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